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FISCAL IMPACT STATEMENT

LS 7502

BILL NUMBER: HB 1338

NOTE PREPARED: Jan 8, 2011

BILL AMENDED:

SUBJECT: Financial Transparency by School Corporations.

FIRST AUTHOR: Rep. Behning

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: Local

Summary of Legislation: This bill requires each school corporation, charter school, and joint program to maintain a searchable data base on the education provider's Internet site of the education provider's expenditures, both budgeted and actual.

Effective Date: July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: This bill would require school corporations to display the transactions of their accounts-payable system on-line. Under the bill, each corporation, charter school, and joint program would have to make available to the public a single, searchable database of the corporation's expenditures on its internet website.

The database must include all the expenditures for each fiscal year to include the name, address of each entity receiving money from the corporation, the amount, date, purpose, funding source, and budget category of each expenditure item. The data would be archived at the end of the fiscal year but would still be available to the public. The data would be updated at least monthly with users notified automatically of any updates.

The main page of the website would display the total expenditure of the school corporation for the most recent fiscal year, the amount expended for adult education programs exclusive of the general education development program, the amount for community service initiatives not directly related to classroom activities, the amount for preschool and early childhood education programs, the school attendance, and the

direct expenditure per student.

The costs associated with fulfilling the requirements of this bill could be substantial. School corporations would probably have to redesign the main page of their websites in order to display the required information. Corporations currently supply financial data, both in summary form and separated into expenditures by fund and account, to the Department of Education. These data would have to be reformatted in the manner required by this bill, and the appropriate software developed or purchased to display, update and archive the data. At a minimum, corporations would incur the cost of initially designing the database and uploading it onto their websites. Those corporations without the available technical staff may have to use private consultants to accomplish the work.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: School Corporations.

Information Sources:

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